REMARKS

By this Amendment, minor changes have been made to claim 16 to specifically recite that any acceptances to proposed agreements in the response sent by the parties to the central computer are kept confidential from the other parties in the negotiation. Non-substantive grammatical and step lettering changes have been made to claims 1, 9 and 10. The remaining claims have not been changed.

As discussed below, claims 1-17 are believed to be patentable because no prior art references of record teach or suggest the specific blind bidding technique employed in the claimed invention, which speeds up the negotiation process and maximizes the chances that parties to a conflict will resolve the various issues in the conflict in a Pareto optimal outcome for all parties.

An Information Disclosure Statement is being filed concurrently herewith which cites US Patent 6,330,551 to Burchetta et al. This patent discloses the Cybersettle dispute settlement system mentioned in the background section of the subject application and disclosed on Cybersettle's website, www.cybersettle.com.

The present invention relates to a computer-based system for supporting negotiations with any number of issues and any number of parties that employs a unique type of blind bidding. After negotiation issues are created, each negotiating party defines preferred outcomes and associated relative importances for each issue. Confidential information is managed by a neutral site where parties have access only to their only private information and that which other parties share with them. Parties can then create proposals and other potential agreements within those ranges, which may be visible to other parties or not, at their own option. Upon request, the system generates visible

suggestions, which are potential agreements whose values are derived from party preference information. If some suggestions already exist, new suggestions fall between existing suggestions in each party's own private view where suggestions are rated and ordered according to each party's own preferences. Parties can see the suggestions generated by the system, but are "blind" to any confidential acceptance that any other party may indicate with respect to any agreement value. Two or more parties reach an agreement when they accept the same potential agreement value or package of values.

The foregoing negotiation technique is an improvement over prior techniques because it virtually eliminates the traditional negotiation dance in which parties need to trade numerous compromises, slowly and visibly coming closer to each other before they finally reach an agreement. The blind bidding occurs during hidden acceptance of any number of proposed solutions to the negotiation problem after various proposals have been made by the parties and preferences have been specified by the parties and the central computer generates one or more proposed solutions to the problem.

Turning now to the claim rejections set forth in the Office Action, claims 1 and 16 stand rejected on obvious-type double patenting grounds as not being patentably distinct over claims 1 and 20 of commonly owned US Patent 5,495,412. In support of this rejection, the examiner asserts that the claims of the present application recite a number of the same elements in the claims in the '412 patent, including use of independent computers to assist the parties to a negotiation which uses the Pareto optimal principle. Applicants respectfully traverse this rejection in view of the following arguments.

First of all, though not most importantly, the Pareto optimal principle is not mentioned in either of claims 1 and 16. It is mentioned in dependent claims 3 and 17.

The rejection, however, is of claims 1 and 16. Applicants acknowledge that the Pareto optimal principle is well known and is employed in the preferred embodiments of the invention. However, this fact has nothing to do with the patentable features of the present invention that are recited in independent claims 1 and 16.

Although Applicants do agree that the invention claimed in claims 1 and 16 includes a number of the same basic elements recited in claims 1 and 20 in the '412 patent, this is not the criterion that is used to determine whether an obviousness double patenting rejection can be applied to claims 1 and 16 of the subject application. Nowhere in the Office Action is any assertion made that claims 1 and 16 are obvious over claims 1 and 20 of the '42 patent, respectively, as required by the provisions of MPEP§ 804(II)(A)¶ (8.33). In this regard, obviousness double patenting is like an obviousness rejection under 35 U.S.C. 103. A mere assertion that the two claimed inventions share some common elements does not by itself imply that the presently claimed invention is obvious over the previous invention.

The fact of the matter is that the present invention's specific blind bidding concept discussed previously is nowhere disclosed nor suggested in the '412 patent and this key feature represents a clear improvement over the invention claimed in the '412 patent.

With specific reference to claims 1 and 16 of the subject application, the following elements are the key elements of the claimed invention that are neither disclosed nor suggested in the '412 patent. In claim 1, after the parties enter information pertaining to each said party's preferences on the outcome of each of the issues involved in the negotiation problem, the computer system generates one or more potential

agreements that are received by all parties to the dispute. In response, each of the parties can enter into the computer system, their **confidential acceptance** of one or more of the potential agreements created by any party or the computer system. Then, the computer system declares as a tentative agreement among two or more parties, any potential agreement that has been accepted by all of those parties.

Claim 16 as amended recites the same concept in different words. More specifically, claim 16 has been amended to specify that any acceptances in a response sent by each party to the central computer are kept confidential from the rest of the parties to the negotiation.

In all of the independent claims, the key to the invention is the blind acceptance feature where each of the parties to the conflict can accept any proposal that has been made by the central computer or by the other parties without knowledge by the other parties. Each party knows that if they place a confidential acceptance on a proposed agreement, that only if another party accepts the exact same potential agreement will resolution of the conflict be achieved, thus avoiding the need to deal with further counter offers and proposals. This arrangement speeds up the negotiation process and increases the probability that an amicable settlement of the disputed issues will actually be reached. It also inherently results in better relationships between the parties since pressure tactics and other adversarial strategies no longer have any place in the negotiation.

Clearly, the foregoing concept is nowhere disclosed or suggested in the '412 patent. For this reason, the double patenting rejection of claim 1 and 16 is traversed and should be removed.

Claims 1-17 also stand rejected under 35 U.S.C 103 as being unpatentable over SAIAS in view of the Wikipedia web page on Pareto.

This rejection is also traversed essentially for the same reasons that the double patenting rejection is traversed. Put simply, SAIAS also does not disclose or suggest the specific blind acceptance feature of the present invention. The examiner mentions that the SAIAS patent describes blind bidding in paragraph 0317, but that bears no resemblance whatsoever to the type of blind bidding employed in the claimed invention. In paragraph 0317 the SAISA Automated Market allows [parties] "to anonymously submit terms of a favorable exchange". What is referred to here by SAISA is trading preferences such as "the range over which they are flexible". This meaning is further clarified in paragraph 0320. SAISA does not even disclose the concept of generating proposed agreements in response to information entered by the parties, let alone having the parties place a confidential acceptance on a generated agreement as in the claimed invention. For these reasons, this prior art rejection of claims 1-17 is also traversed.

In view of the foregoing, Applicants respectfully submit that the claim rejections are traversed and that the application is now in condition for allowance. Accordingly, favorable reconsideration is respectfully requested.

Respectfully Submitted,

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Dated: August 9, 2007